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SOURCE Der Aussenhandel.EXPANSION OF THE RUMANIAN PETROLEUM INDUSTRY

Bruno Gastman

The damage done to the Rumanian petroleum industry by bombing was visible testimony to the economic chaos which existed at the end of World War II. The oil companies of the Anglo-Dutch Royal Dutch Shell trust and the American Standard Oil Company had, in addition, left to the RPR (Rumanian People's Republic) a deficit of 692 million lei and a debit of 4.5 billion lei.

An additional difficulty was caused by the fact that the areas under exploitation had been very largely pumped out and that there had been insufficient preparation of reserve areas. There was, furthermore, an initial lack of supplies of oil already pumped for use in reconstruction. The real reason for the exhaustion of the wells lay in the policy of exploitation without regard to consequences. The companies had only undertaken new drillings in reliable locations, that is, in the neighborhood of wells which were already in operation. They had neglected the tapping of new resources in more distant areas. This policy did not result in increasing the oil reserves, but led only to additional drains on the reserves which had already been surveyed.

During the war, there were drillings on only 500,000 hectares of the 2 million hectares of petroleum area. Although the entire eastern and southern slopes of the Carpathians, from Northern Bucovina to Oltenia, are considered to be an oil area, the territory which had actually been tapped and exploited was limited to Prahova and Dambovitza regions. While numerous companies acquired rights in other areas, they did not drill there. They preferred to pay the fines exacted by the Rumanian government for failure to exploit territory in which oil rights had been acquired and often they did not even pay the fines. The competing trusts were anxious only to withhold new sources of oil from their competitors.

When the RPR was formed, one of its first tasks was the preparation of a plan for the expansion of the petroleum industry. Even though the 1949 industrial plan was fulfilled only 99.4 percent with respect to petroleum and

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gas, this was still an improvement over the preceding year. The plan was exceeded 5.7 percent on completed drillings and 1.4 percent on oil pumped. The plan for 1950 provided for a 32.5-percent increase in the pumping and refining of oil.

The Five-Year Plan covering the period from 1951 to 1955 provides that crude oil production shall rise to 10 million tons annually in the last plan year. This is more than the prewar record of 8.7 million tons achieved in 1936 and is 183 percent of the crude oil production of 1950. The amount of refined oil products in 1955 will be 226 percent of the 1950 figure.

The means for this accomplishment are increased productivity of labor (58 percent higher than in 1950) and the 129 billion lei which have been invested in the petroleum industry. These investments are about 10 percent of those called for in the entire plan. It is planned, for instance, to increase the capacity of pipelines by 2.6 million tons of oil annually, which will mean that the transport of oil products through pipelines will have increased by 1955 to 250 percent of the amount transported in 1950. When the Five-Year Plan started, there were five pipelines with a total length of about 900 kilometers, not including the 2,100 kilometers of pipes connecting the boring areas with the refineries.

The total length of drillings in 1955 will be 1,250 kilometers, of which 550 kilometers will be exploratory drilling and 700 kilometers drilling for productive purposes.

From the amount to be invested, 5 billion lei will be set aside for raising the standard of living of workers in the petroleum industry. The plan includes 2.14 billion lei for the sole purpose of constructing workers' housing.

The following table shows past and proposed drilling and production of the industry:

Year	Length of Drillings (km)	Production of Wells (1,000-tons)	Production of Refineries (1,000 tons)			
			Gasoline	Kerosene	Heavy Oil	Lubricating Oil
1938	288	6,870	1,529	1,983	2,981	65
1945	147	4,636	1,343	557	2,347	97
1946	134	4,193	1,103	566	1,995	102
1947	163	3,810	1,086	482	1,734	82
1948	320	4,310	--	--	--	--
1949	480	4,720	--	--	--	--
1950	650	5,350	--	--	--	--
1955	1,250	10,000	3,000	--	--	--

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